

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE FOREST VIEW ACRES WATER DISTRICT AND THE BOARD OF DIRECTORS OF THE WATER ACTIVITY ENTERPRISE HELD APRIL 24, 2008

A regular meeting of the Board of Directors of the Forest View Acres Water District and the Board of Directors of the Water Activity Enterprise (referred to hereafter as "Board") was held on Thursday, April 24, 2008, at 6:00 p.m., at the Tri-Lakes Fire Station No. 1, 18650 Highway 105, Monument, Colorado. This meeting was open to the public.

ATTENDANCE

In attendance were Directors:

Barbara Reed-Polatty
Eckehart Zimmermann
Anne Bevis

Absent:

Absent were Directors Monsen and Crocker, whose absences were excused.

Also in attendance were:

Joel Meggers and Cathy Fromm; Community Resource Services ("CRS")
Paul Rufien, Esq.
Brenda Smith; Southwest Water Company
Tom Schutz; Attorney for Fiala
Gene Ashe, Chris Bueschel, Ben Lee, Steve Fiala, Veronica Lowry, Susan Gates, Lisa Weitz, David Weitz, Frederick Malmstrom, Denise Geller, Ron Medo, Chris Anderson; Residents

ADMINISTRATIVE MATTERS

Director Bevis called the meeting to order at 6:00 p.m. Mr. Meggers distributed for the Board's approval a proposed agenda. Following discussion, upon motion duly made by Director Zimmermann and seconded by Director Reed-Polatty, vote was taken and the agenda was approved unanimously as amended.

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MINUTES

The Board reviewed the minutes of the March 27, 2008 Board meeting. Director Zimmermann moved the minutes be approved as amended. Upon second by Director Reed-Polatty, vote was taken and motion carried unanimously.

OPERATIONS REPORT

Ms. Smith reviewed the March operations report with the Board, a copy of which is attached to these minutes and incorporated herein.

Polanco Property- Discussion ensued. Meter pit specifications will need to be determined before this issue can be resolved. This item will be discussed at a Work Session to be held May 6, 2008.

Contracts with Subcontractors – Discussion ensued. It was suggested that contractor should sub out the work through Southwest Water Company. The Board requested staff obtain bids for non-emergency work.

Cross-Connection – The Board directed staff to obtain competitive bids on this project.

American West Construction, Inc. Proposal – The proposal, a copy of which is attached to these minutes, was distributed at the meeting and presented by Mr. Meggers. Upon a motion made by Director Reed-Polatty and a second by Director Bevis, vote was taken and the motion was passed on a vote of 2 - 1.

MANAGER'S ITEMS

Update on TMF Evaluation - Mr. Meggers distributed a draft of the TMF Final Report. Comments will be collected, consolidated and forwarded to the Colorado Department of Public Health & Environment.

Update on Application of Loans/Grants - Mr. Meggers briefed the Board on the availability of grant and low interest loans offered by DOLA and the Colorado Department of Public Health & Environment. He will continue to pursue and research potential external funding sources and report back to the Board.

Discussion Regarding Rules and Regulations – The Board discussed pursuing both minor amendments to the Rules and Regulations, in the short-term, and possibly adopting new Rules and Regulations in the long-term.

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Proposed Engineering Work for 2008/RG Consulting Engineers, Inc. - The Board reviewed the RG proposal and will discuss it in greater detail at a work session on May 6, 2008.

DIRECTOR'S COMMENTS

Natural Gas Exploration South of Red Rock Ranch - the Board discussed several emails sent by Directors Zimmermann and Bevis and Mr. Ashe. The Board will pursue drafting a formal policy position to be reviewed and discussed at a future meeting.

Discussion Regarding Saddle Taps – Mr. Schutz, Mr. Fiala attorney, stated he does not believe Mr. Fiala should be responsible for the cost the work performed on the two saddle taps in the street in front of the Fiala home. Chris Bueschel with AAA Ditching, the contractor, provided a summary on the work he performed on both saddle taps.

Discussion Regarding Spending Authorization – Director Bevis provided a guide on this item per the attached notes.

Discussion Regarding Emergency Response Plan – The Board asked that the current plan be circulated for comments and that this item be included on the agenda for the May 6, 2008 Work Session.

Status of District Maps – The Board asked that this item be included on the agenda for the May 6, 2008 Work Session.

OTHER BUSINESS

There was none.

LEGAL ITEMS

Director Reed moved that the Board enter into Executive Session to discuss the Wilde Property Update and the Amended Agreement with the Nevins. Upon second by Director Zimmerman, vote was taken and motion carried unanimously.

The Board reconvened into General Session at 8:50 p.m.

FINANCIAL MATTERS

Review and Approve Payment of Claims

Mr. Meggers requested that the Board consider payment of the claims represented by check #s 2090-2103, totaling \$59,899.92. Director Reed-Polatty moved the Board approve the payment of

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claims represented by check numbers 2090 - 2103, totaling \$59,899.92. Director Reed-Polatty moved that the Board approve the payment of claims as presented. Upon second by Director Zimmermann, vote was taken and motion carried unanimously.

Review March 29, 2008 Financial Statements

The Board reviewed the financial statements for the period ending March 30, 2008. The Board accepted the financial statements as presented.

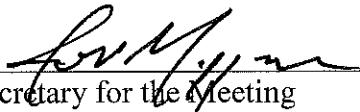
Review March 30, 2008 Cash Position

The Board reviewed the March 30, 2008 cash position as presented.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Director Reed, seconded by Director Zimmermann, the meeting was adjourned at 9:00 p.m.

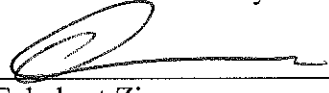
Respectfully submitted,

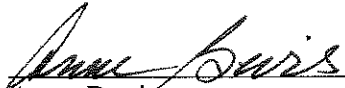

Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL APRIL 24, 2008 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Richard T. Crocker

Barbara Reed-Polatty


Eckehart Zimmermann


Anne Bevis

Chris Monsen

FVAWD “Spending Authorization”

Initial issue: We have pre-approved a) SW to spend up to \$600 on individual items for the district (typically small repairs) and b) CRS to spend up to \$5000 in emergencies.

Spending Authorization is part of a larger discussion that includes approaches to how we improve cost management while also giving our contractors guidance on how they should get things done.

Fundamentally, we only have three types of variables to work with – money, time, and scope (includes quality and the basic mission of keeping the system up and operational). In the absence of direction, the day-to-day decisions made by our contractors will tend to focus on scope/quality.

I identified three major areas that we should look at in controlling costs and in giving better guidance. While there may be other areas we can improve, my focus was on what I see as big ticket items (either by individual item or by cumulative effect). These areas are:

- Emergency response
- Use of expert services
- Projects

Where we stand on each of these:

- Emergency response plan – initial plan has been drafted, not yet reviewed by the Board (and especially not for cost-effectiveness). We may also want to add a discussion of SLAs in this area.
- Use of expert services – somewhat ad hoc. We need to give guidance on when CRS should be asking for expert attendance at board meetings vs. a written statement vs. e-mail.
- Projects – We now have the look-ahead list. I would recommend augmenting it with the following for each project:
 - Approved initial budget
 - Initial due date
 - Cost allocation/budget category – so that we can both correctly categorize projects to budget line items and so that we can track obligated (budgeted but not spent items)